

Planning Development Management
Department for Levelling Up, Housing and Communities
Planning Directorate
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By email only:

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Re: Permitted Development Rights

Consultation on additional flexibilities to support housing delivery, the agricultural sector, businesses, high streets and open prisons; and a call for evidence on nature-based solutions, farm efficiency projects and diversification

I am writing on behalf of the London Property Alliance (the “Alliance”). The London Property Alliance is an umbrella organisation for the City Property Association and the Westminster Property Association, the membership bodies and advocacy groups for the leading owners, investors, professional advisors and developers of real estate in the Cities of London and Westminster. Lists of the 400+ member companies (300 when combined given c100 are members of both associations) we represent are available [here](#) and [here](#).

The Alliance welcomes the opportunity to comment on the Department of Levelling Up, Housing and Communities’ (‘DHLUC’) consultation on changes to Permitted Development (‘PD’) rights.

In summary, the Alliance does not support permitted development rights for office to residential conversion. This is its long-established position. It considers that, whilst there is a role for the conversion of office space to residential, and other, uses, this is best considered on a case-by-case basis in accordance with a plan-led approach. Ad hoc conversion of buildings to residential use in an unplanned way can lead to significant unintended consequences and can lead to the long term economic capacity of individual buildings, and of wider areas of cities, being undermined. As a result, the Alliance does not support widening or relaxing the criteria for office to residential conversion that currently apply.

The Alliance, for similar, reasons, does not support unrestrained permitted development rights for the conversion of hotel accommodation to residential use, which raises many similar issues. It suggests that, if this is to be pursued, any potential PD right is focused on smaller hotel buildings, many of which may have originally been built for residential use.

We have prepared our representations in response to the questions set out in the consultation. Not every question is relevant to our response and therefore we have only responded to the questions set out within this letter. Our answers to the questions below have also been uploaded directly to your consultation portal, reference ANON-DEZB-M353-D.

Commercial Business and Service uses to dwellinghouses (Class MA of Part 3)

1. Broadly speaking, the changes referred to Class MA (commercial business and service uses to dwellinghouses) seek to make the Class MA right more flexible and deliver more homes. Coupled with this consultation, the Government has also announced that it will “*continue to ensure that local removal of permitted development rights through Article 4 Directions will only be agreed where there is evidence of wholly unacceptable impacts*”¹. We have seen several instances within central London where the Secretary of State has issued letters to Local Planning Authorities (‘LPAs’) directing them to modify the boundaries/scope of Article 4 Directions seeking to restrict Class MA PD rights, justified by para 53 of the National Planning Policy Framework (‘NPPF’).
2. Whilst the Alliance fully supports the Government’s ambition to increase housebuilding across the country, this must come forward in a regulated and appropriate manner and not at the expense of other strategically important land uses. In central London, commercial uses, particularly offices, are essential to the city’s economy and Global City role. This is not only the case for the commercial/office ‘hubs’. There is also often an important role for offices as the core employment use on the peripheries of such areas. Providing a range of workspaces across the city helps to support a wide range of industries, types and sizes of employer - this should be supported and sustained. Despite the fact that the PD right requires a period of vacancy, this is a relatively short period (3 months), which does not, in itself, necessarily indicate that there is no commercial demand for the space in question.
3. The loss of commercial floorspace and sites to residential use not only dilutes the density and therefore the ‘critical mass’ of the office use which forms the core function of London as a global city in the immediate term. Sites converted to residential use are unlikely ever to be returned to commercial and other town centre uses which form the core function of the economy of central London. Their conversion essentially undermines the long term economic capacity of London.
4. The introduction of residential uses to locations in the centre of cities has negative consequences for the development potential of surrounding sites, given the need for applications to demonstrate that impacts on the amenity of residential properties (especially daylight and sunlight) are acceptable. There are, therefore, a range of both direct and indirect negative consequences associated with increasing the flexibility of PD rights for commercial to residential conversions.
5. The Association recognises that there will be instances where the conversion of office accommodation, particularly more secondary stock in more secondary locations, is appropriate. This should be determined by the local authority in a plan-led way, with individual proposals assessed against clear policy.
6. Whilst expanding the scope of Class MA could result in more homes being delivered, we question whether these will be of high quality (notwithstanding the relatively limited prior approval criteria set out within Class MA). For example, there is no requirement for developers to consider amenity space or residential unit mix. In addition, PD rights do not secure developer contributions, particularly for affordable housing, the need for which in central London is pressing. The Alliance does not consider that the homes potentially delivered under the PD regime are best suited to meeting housing need, both in terms of quality and in providing a mix of homes. Other planning benefits which are often secured via the planning application process, for example, carbon/energy improvements, public realm works and local employment and skills are also ‘lost’ through the PD process.
7. Weighing this against the various negative impacts on the function of our city centres, we therefore strongly object to the proposals to expand the flexibility of Class MA. It is in this context that we have responded to questions 3, 4, 5, 6, 9 and 10 below. Please note that our responses outlined below should be read alongside this and the above paragraphs (1-6).

¹ DHLUC, ‘Long Term Plan for Housing’ news story, 24 July 2023

Q.3 Do you agree that the permitted development right for the change of use from the Commercial, Business and Service use class (Use Class E) to residential (Class MA of Part 3), should be amended to either:

c) No change

We do not consider that the PD right should be made more flexible and therefore we consider that there should be no change (option (c)).

Q.4 Do you agree that the permitted development right (Class MA of Part 3) should be amended to remove the requirement that the premises must be vacant for at least three continuous months immediately prior to the date of the application for prior approval?

b) No

We do not consider that the PD right should be made more flexible and therefore we consider that there should be no change (option (b)).

Q.5 Do you think that the permitted development right (Class MA of Part 3) should apply in other excluded article 2(3) land?

b) No

We do not consider that the PD right should be made more flexible and therefore we consider that there should be no change (option (b)).

Q.6 Do you think the prior approval that allows for the local consideration of the impacts of the change of use of the ground floor in conservation areas on the character or sustainability of the conservation is working well in practice?

a) Yes

If no, please explain why you don't think the prior approval works in practice?

We do not consider that the Class MA right is appropriate in many locations in central London, and therefore we do not consider that the local consideration of the impacts are necessarily 'working well'. Notwithstanding this, leaving aside the principle of the right, we consider that there must be a mechanism for Local Planning Authorities ('LPAs') to consider impacts on local character and we would not want to see this removed. In this context, our response to this question is option (a).

Q.9 Do you think that any of the proposed changes in relation to the Class MA permitted development right could impact on: a) businesses b) local planning authorities c) communities?

a) Yes

Please give your reasons. It would be helpful if you could specify whether your comments relate to a) business, b) local planning authorities, or c) communities, or a combination.

Yes (option (a)). We consider that the proposed changes to Class MA could impact negatively in the following ways:

- On businesses – due to the loss of commercial (particularly office) space and its role in providing the 'critical mass' unique to global cities such as London, and the ability for such space to cater to a range of occupiers in a range of different industries;

- On local planning authorities – due to the loss of control for LPAs to assess the suitability of sites on a case-by-case basis their acceptability to (a) lose the commercial use; and (b) introduce new residential. There is also a loss of control with regard to the securing of developer contributions, including affordable housing;
- On communities – due to the potential damage to the national economy (in particular London’s global city status). Also due to the potential to create sub-standard homes which do not necessarily meet local needs.

Q.10 Do you think that changes to Class MA will lead to the delivery of new homes that would not have been brought forward under a planning application?

a) Yes

If so, please give your reasons.

Yes (option (a)). However, as set out in response to the above questions and paragraphs 1-7, we do not consider that delivering new homes via the PD regime is necessarily the most appropriate approach for the specific for a range of reasons. We suggest that such homes should come forward via a flexible and appropriate planning regime. The number of additional homes delivered is not considered to outweigh the negative impacts identified in terms of the loss of commercial use and associated functions.

Hotels, boarding houses and guest houses (Use Class C1) to dwellinghouses

8. This section of our letter only relates to questions 7 and 8 within the consultation relating to the proposed change of use of hotels, boarding houses or guest houses to dwellinghouses.
9. Whilst the Alliance is fully in support of the Government’s ambition to increase housebuilding across the country, we strongly believe that this must come forward in a regulated and appropriate manner and not at the expense of other strategically important land uses.
10. Hotels play an important role in the visitor economy of central London as a global city (and many other cities). The London Plan indicates that c. 2,230 additional hotel bedrooms per annum are required in the plan period to 2041 across London, with new service accommodation particularly encouraged in the CAZ.
11. Like with the loss of office floorspace, the loss of a substantial amount of hotel accommodation to residential use could similarly act to dilute the density, critical mass and variety of visitor accommodation on offer in central London. Loss of large amounts of hotel accommodation, or large hotels, could also lead to additional pressure on the informal short stay market within residential accommodation.
12. Any residential accommodation created may not be of good quality, especially if based on standard hotel room module sizes and space planning.
13. The introduction of residential uses to locations in the centre of cities could have negative consequences for the operational and development potential of surrounding sites, given the need for applications to demonstrate that impacts on the amenity of residential properties (especially daylight and sunlight) are acceptable, as described above. The loss of hotel accommodation in the City of London to residential would be a particular concern on this basis. Sites converted to residential use are unlikely to be returned to hotel use.
14. There could, therefore, be a range of both direct and indirect negative consequences associated with increasing the flexibility of PD rights for hotel to residential conversions. For these reasons, the Association does not consider that the conversion of larger-scale hotel buildings to residential use would be appropriate.

15. There is, however, a substantial amount of often poor-quality hotel accommodation in small but heritage buildings / conservation areas requiring significant investment across parts of central London which can lead to local amenity impacts. It is often difficult to adapt or reconfigure such buildings to successfully meet the changing demands expected of hotel accommodation, due to their format, and often the heritage value, of such buildings.
16. The Alliance therefore suggests that, should a PD right for office to hotel conversion be pursued, it should be strictly limited to smaller buildings, like the existing Class MA rights for Class E to residential conversion. We propose that this cap should apply at 1,000 – 1,500sqm. Larger hotel buildings should not be eligible for conversion to residential under permitted development.
17. This approach would prevent the PD rights allowing the undesirable loss of larger hotels (which should be capable of adaptation to meet the demands of the hotel market), and therefore substantial amounts of hotel floorspace, to residential use. It would, though, allow a relatively small quantum of floorspace in those smaller properties which are likely to prove more appropriate to convert to residential use internally, to contribute to the delivery of additional homes to meet housing need.

Q.7 Do you agree that permitted development rights should support the change of use of hotels, boarding houses or guest houses (Use Class C1) to dwellinghouses?

a) Yes

Please give your reasons.

Yes, option (a). We are of the view that, under the right circumstances, a new right for the change of use of hotels, boarding houses and guest houses to dwellinghouses could be appropriately crafted if it follows the structure and considerations we have set out earlier in our response.

Q.8 Are there any safeguards or specific matters that should be considered if the change of use of hotels, boarding houses or guest houses (Use Class C1) to dwellinghouses was supported through permitted development rights?

a) Yes

Please give your reasons.

If yes, please specify.

Yes, option (a). We are of the view that, under the right circumstances, a new right for the change of use of hotels, boarding houses and guest houses to dwellinghouses could be appropriately crafted if it follows the structure and considerations we have set out earlier in our response. It is suggested that a maximum floorspace requirement should be included.

Conclusion

In summary, the Alliance does not support permitted development rights for office to residential conversion. It considers that, whilst there is a role for the conversion of office space to residential, and other, uses, this is best considered on a case-by-case basis in accordance with a plan-led approach. Ad hoc conversion of buildings to residential use in an unplanned way can lead to significant unintended consequences and can lead to the long term economic capacity of individual buildings, and of wider areas of cities, being undermined. As a result, the Alliance does not support widening or relaxing the criteria for office to residential conversion that currently apply.

The Alliance does not support unrestrained permitted development rights for hotel to residential conversion for similar reasons. Maintaining, and growing, a critical mass of accommodation that will cater for visitors

to London is important to London's sustained economic health and is recognised as such in the London Plan. An unrestrained permitted development right for conversion of hotel accommodation would undermine this objective. The Alliance suggests there may be a role for the conversion of smaller hotels to residential use, especially where such buildings are subject to heritage constraints and were originally in residential use, and suggests that any further exploration of a permitted development right is limited to smaller buildings.

The Alliance welcomes the opportunity respond to the consultation and trusts that the responses set out within this letter will be taken into consideration.

If it would be helpful to discuss any aspect of this letter further, please do contact me.

Yours faithfully



Charles Begley
Chief Executive, London Property Alliance